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South Dakota Public Utilities Commission Meeting
May 26, 2015, at 9:30 A.M. CDT
Room 413, Capitol Building
Pierre, South Dakota

MINUTES OF THE COMMISSION MEETING

Chairman Chris Nelson called the meeting to order. Present were: Commissioner: Gary Hanson; Commission Counsel: Rolayne Wiest; Commission Advisor: Greg Rislov; Staff Attorneys: Karen Cremer and Kristen Edwards; Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson, Joseph Rezac, Darren Kearney, and Brian Rounds; Executive Director: Patty Van Gerpen; and Staff: Katlyn Gustafson.

Also present were:

Kara Semmler, May, Adam, Gerdes & Thompson, representing Blue Jay Wireless, LLC; Jon Thurber, Kyle White, and Amy Koenig, Black Hills Power, Inc.; Eric Antoine, Rosebud Sioux Tribe; Rich Coit, South Dakota Telecommunications Association; Gary Dorr, self; Mark Moreno, Schmidt, Schroyer, Moreno, Lee & Bachand, P.C. representing GCC Dacotah, Inc.; Rapid City Regional Hospital, Inc.; Rushmore Forest Products, Inc.; and Spearfish Forest Products, Inc.

Joining the meeting by telephone were:

Commissioner: Kristie Fiegen; Mike Fredrich and Mutch Usera, Black Hills Power, Inc.; Dawn Radcliffe, TransCanada Keystone Pipeline, LP; Andrew Moratzka, Stoel Rives LLP, representing GCC Dacotah, Inc.; Pete Lien & Sons, Inc.; Rushmore Forest Products, Inc.; Spearfish Forest Products, Inc.; Rapid City Regional Hospital, Inc.; and Wharf Resources (U.S.A.), Inc.; Bob Johnson, Codington-Clark Electric Cooperative, Inc.; Pam Bonrud, Rick Edwards, and Jerry Bertsch, NorthWestern Corporation dba NorthWestern Energy; Scott Thompson, Davis Wright Tremaine LLP, representing Crown Castle NG Central LLC; Robert Millar, Crown Castle NG Central LLC; Stuart Tommerdahl, Scott Wiese, and Kevin Kouba, Otter Tail Power Company; David Wareikis and Melissa Slawson, Blue Jay Wireless, LLC; Josh Guyan, Kelley Drye & Warren LLP, representing Blue Jay Wireless, LLC; Thomasina Real Bird, Fredericks Peebles & Morgan LLP, representing Yankton Sioux Tribe; Nancy Hilding, self; Kimberly Craven, Attorney, representing Indigenous Environmental Network; Matt Rappold, Rappold Law Office, representing Rosebud Sioux Tribe; Bob Gough, Intertribal Council on Utility Policy; Peter Capossela, attorney, representing Standing Rock Sioux Tribe; Paul Blackburn, representing BOLD Nebraska; and Jo Anne Wallace, ViaSat, Inc.

Administration

1. Approval of the Minutes of the Commission Meetings Held on **March 31, April 9, April 14, April 27, April 30, and May 12, 2015. (Staff: Joy Lashley)**

Commissioner Hanson moved to approve the Minutes of the Commission Meetings Held on March 31, April 9, April 14, April 27, April 30, and May 12. Motion carried 3-0.

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission (Consumer Affairs: Deb Gregg)

The Commission received a total of 66 contacts since the last report was prepared for the May 12, 2015 Commission meeting.

2 of the contacts involved telecommunication services, 18 of the contacts involved electrical services, 2 of the contacts involved natural gas service, 1 contact was related to wireless service, 3 contacts were related to the Do Not Call Registry, 5 contacts were related to the Dakota Access Pipeline, 19 contacts were related to the Keystone XL Pipeline, 1 contact was related to Wind

Energy, 1 contact was related to One Call and 14 contacts were related to issues not regulated by the PUC.

1,914 of the 1,916 complaints received in 2014 have been resolved.

834 of the 853 complaints received in 2015 have been resolved.

Natural Gas

1. NG15-002 In the Matter of the Filing by NorthWestern Corporation dba NorthWestern Energy for Approval of Its 2015 Economic Development Proposed Budget and 2014 Economic Development Expenses (Staff Analyst: Darren Kearney; Staff Attorney: Karen Cremer)

Mr. Rick Edwards, NorthWestern Corporation dba NorthWestern Energy (NorthWestern), asked that the Commission approve its 2015 Economic Development Proposed Budget and 2014 Economic Development Expenses. Mr. Darren Kearney, staff analyst, recommended that the Commission approve NorthWestern's request.

Commissioner Fiegen moved to approve NorthWestern's 2014 Economic Development Expenses and 2015 Economic Development Budget. Motion carried 3-0.

Electric

1. EL14-090 In the Matter of the Petition of Otter Tail Power Company for Approval of its 2015 Transmission Cost Recovery Eligibility and Rate Adjustment (Staff Analyst: Patrick Steffensen; Staff Attorney: Karen Cremer)

Mr. Stuart Tommerdahl, Otter Tail Power Company (OTP), asked that the Commission grant OTP's request for a 30-day extension beyond June 1, 2015, to file OTP's annual compliance report. Mr. Patrick Steffensen, staff analyst, recommended that the Commission grant approval to OTP's request.

Commissioner Nelson moved to grant OTP's request for a 30-day extension beyond June 1, 2015, to file their annual compliance report. Motion carried 3-0.

2. EL15-005 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Otter Tail Power Company and Codington-Clark Electric Cooperative, Inc. (Staff Analyst: Brian Rounds; Staff Attorney: Kristen Edwards)

Mr. Brian Rounds, staff analyst, recommended that the Commission approve an electric service territory boundary agreement between Otter Tail Power Company and Codington-Clark Electric Cooperative, Inc.

Commissioner Hanson moved to approve the proposed electric service territory boundary agreement. Motion carried 3-0.

3. EL12-062 In the Matter of the Application of Black Hills Power, Inc. for the Phase in of Rates Regarding Construction Financing Costs of Cheyenne Prairie Generating Station (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen; Staff Attorneys : Karen Cremer, Kristen Edwards)

Mr. Jon Thurber, Black Hills Power, Inc. (BHP), asked that the Commission approve BHP's Phase in Plan Rate rider balance and method to refund the balancing account amounts. Ms. Brittany Mehlhaff, staff analyst, recommended that the Commission grant approval to BHP's request, with the changes filed on May 13, 2015.

Commissioner Fiegen moved to approve BHP's Phase in Plan Rate rider balance and

method to refund the balancing account amounts. Motion carried 3-0.

4. EL14-013 In the Matter of the Application of Black Hills Power, Inc. for Approval of Transmission Facilities Adjustment (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen; Staff Attorney: Karen Cremer)

Mr. Jon Thurber, Black Hills Power, Inc. (BHP), asked that the Commission approve BHP's joint motion for approval of amendment to settlement stipulation. Mr. Thurber also requested that the Commission approve the terms and conditions stipulated therein. Ms. Karen Cremer, staff attorney, recommended that the Commission grant approval to BHP's requests.

Commissioner Hanson moved to grant the Joint Motion for Approval of Amendment to Settlement Stipulation and approve the terms and conditions stipulated therein. Motion carried 3-0.

5. EL14-026 In the Matter of the Application of Black Hills Power, Inc. for Authority to Increase its Electric Rates (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson; Staff Attorney: Karen Cremer)

A lengthy discussion took place regarding docket EL14-026. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2015, May 26, 2015, recording located at: <http://puc.sd.gov/commission/media/2015/Puc05262015.mp3>.

Commissioner Hanson moved that the Commission deny Black Hills Industrial Intervenors' amended petition for rehearing and reconsideration and that the Commission shall not reconsider its final Decision and Order issued on April 17, 2015, as to the issues set forth in the Order for and Notice of Hearing on Petition for Reconsideration issued by the Commission on May 11, 2015. Motion carried 3-0.

6. EL15-007 In the Matter of the Application of Black Hills Power, Inc. for Approval of its Transmission Facilities Adjustment (Staff Analysts: Patrick Steffensen, Eric Paulson, Joseph Rezac; Staff Attorney: Karen Cremer)

Mr. Jon Thurber, Black Hills Power, Inc. (BHP), asked that the Commission approve BHP's TFA revenue requirement with rates effective June 1, 2015. Mr. Patrick Steffensen, staff analyst, recommended that the Commission grant approval to BHP's request.

Commissioner Fiegen moved to approve the TFA revenue requirement and rates with an effective date of June 1, 2015. Motion carried 3-0.

7. EL15-008 In the Matter of the Application of Black Hills Power, Inc. for Approval of its 2015 Environmental Improvement Adjustment (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson; Staff Attorney: Karen Cremer)

Mr. Jon Thurber, Black Hills Power, Inc. (BHP), asked that the Commission approve BHP's joint motion for approval of the settlement stipulation and approve the rates, terms, and conditions stipulated therein. Ms. Karen Cremer, staff attorney, recommended that the Commission grant approval to BHP's request.

Commissioner Nelson moved to grant the Joint Motion for Approval of the Settlement Stipulation and approve the rates, terms and conditions stipulated therein. Motion carried 3-0.

8. EL15-012 In the Matter of the Filing of Black Hills Power, Inc. for Approval of its 2015 Economic Development Plan (Staff Analyst: Darren Kearney; Staff Attorney: Karen Cremer)

Mr. Jon Thurber, Black Hills Power, Inc. (BHP), asked that the Commission approve its 2015 Economic Development Plan and Budget. Mr. Darren Kearney, staff analyst, recommended that the Commission grant approval to BHP's request.

Commissioner Fiegen moved to approve BHP's 2015 Economic Development Plan and Budget. Motion carried 3-0.

Telecommunications

1. TC14-019 In the Matter of the Petition of Blue Jay Wireless, LLC, for Designation as an Eligible Telecommunications Carrier (Staff Analyst: Eric Paulson; Staff Attorney: Kristen Edwards)

A lengthy discussion took place regarding docket TC14-019. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2015, May 26, 2015, recording located at: <http://puc.sd.gov/commission/media/2015/Puc05262015.mp3>.

The Commission deferred the docket.

2. TC14-081 In the Matter of the Application of Crown Castle NG Central LLC for a Certificate of Authority to Provide Telecommunications Services in South Dakota (Staff Analyst: Joseph Rezac; Staff Attorney: Karen Cremer)

A lengthy discussion took place regarding docket TC14-081. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2015, May 26, 2015, recording located at: <http://puc.sd.gov/commission/media/2015/Puc05262015.mp3>.

Commissioner Nelson moved to grant Crown Castle's request for a Certificate of Authority to provide telecommunications services in South Dakota and grant a waiver of ARSD 20:10:32:10 and grant SDTA and Crown Castle's request to include the terms and conditions as set forth in the Joint Stipulation. Motion carried 3-0.

3. TC15-006 In the Matter of the Application of ViaSat, Inc. for a Certificate of Authority to Provide Interexchange Long Distance Services in South Dakota (Staff Analyst: Joseph Rezac; Staff Attorney: Karen Cremer)

The Commission deferred the docket until a later date.

Hydrocarbon Pipeline

1. HP14-001 In the Matter of the Petition of TransCanada Keystone Pipeline, LP for Order Accepting Certification of Permit Issued in Docket HP09-001 to Construct the Keystone XL Pipeline (Staff Analysts: Brian Rounds, Darren Kearney; Staff Attorney: Kristen Edwards)

A lengthy discussion took place regarding docket HP14-001. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2015, May 26, 2015, recording located at: <http://puc.sd.gov/commission/media/2015/Puc05262015.mp3>. When received by the Commission, a transcript of the discussion will be able to be accessed on the PUC website at: <http://puc.sd.gov/Dockets/HydrocarbonPipeline/2014/hp14-001.aspx>.

Commissioner Fiegen moved to grant Gary Dorr's Motion to Join. Motion carried 2-1. Commissioner Nelson dissented.

Commissioner Fiegen moved to deny the Joint Motion to Exclude Evidence and Testimony by TransCanada. Motion carried 3-0.

Commissioner Hanson moved to grant the Motion to Preclude. Motion carried 3-0.

There being no further business, at the hour of 1:09 p.m. the South Dakota Public Utilities Commission meeting adjourned.

/s/Joy Lashley .

Joy Lashley
Administrative Assistant
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May 26, 2015